



Costa Mesa Sanitary District

....an Independent Special District

FOR IMMEDIATE RELEASE

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Costa Mesa Sanitary District Continues Commitment to Reduce Pension Obligations

(Costa Mesa – CA) A recent Orange County Register story ([“As public pension costs soar, some Southern California agencies turn to controversial borrowing to fill deep holes”](#))

analyzed the looming implications of the rising pension costs facing cities and special districts in California in 2022. California’s cities and special districts, as referenced in the Register article, are projected to pay more than five billion dollars to cover their pension plans in 2022, a 43% increase since 2019.

A number of agencies have approved a controversial strategy to reduce pension costs by issuing pension obligation bonds (POB), which entails borrowing money at a low interest rate, investing these borrowed funds to earn a higher interest rate, then using the difference to pay down pension obligations. As one can imagine and as the reporter notes in the article, this strategy is not without risk because if returns from the invested borrowed money do not meet projections, the agency can plummet further into debt.

The Costa Mesa Sanitary District is among the handful of agencies bucking the pension timebomb trend and is doing so without issuing POBs. The District's pension cost to CalPERS will decrease 20% from \$23,782 in 2019 to \$18,994 in 2022, due to the CMSD Board of Directors action on June 22, 2017 to contribute \$300,000 to the District's unfunded pension liability ([Costa Mesa Sanitary District is Debt Free by Paying Off Unfunded Pension Liability](#)).

The Costa Mesa Sanitary District and its Board of Directors is committed to being fiscally responsible by remaining debt-free and utilizing sound fiscal management policies and practices to ensure the public is receiving the highest level of service.

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About CMSD: Formed in 1944, CMSD is an independent special district that provides solid waste and wastewater collection services to a population of approximately 116,700 in Costa Mesa, Newport Beach, and unincorporated Orange County. For more information and the latest CMSD news, visit www.cmsdca.gov and follow CMSD on [Facebook](#), [Twitter](#), and [Instagram](#). To get in touch with CMSD staff, email info@cmsdca.gov or call (949) 645- 8400.